

Message Text

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47

ACTION EB-11

INFO OCT-01 AF-10 ARA-11 EUR-25 ADP-00 IO-12 OIC-04 AGR-20

CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-02 INR-10

L-03 LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20

CIEP-02 SS-15 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01

OMB-01 RSR-01 /195 W

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P R 261710 Z APR 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 0760

INFO AMEMBASSY ABIDJAN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMEMBASSY KAMPALA

AMEMBASSY MEXICO CITY

AMEMBASSY PARIS

AMEMBASSY SAN SALVADOR

AMCONSUL LUANDA

AMCONSUL RIO DE JANEIRO

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E. O. 11652: N/ A

TAGS: EGEN

SUBJECT: COFFEE - TWENTY- THIRD COUNCIL SESSION

REF: LONDON 4478

1. ONLY SUBSTANTIVE AGENDA ITEM 23 RD SESSION INTERNAL COFFEE COUNCIL WAS CONSIDERATION PROPOSAL FOR ACCELERATED LIQUIDATION COFFEE DIVERSIFICATION FUND. DRAFT RESOLUTION FOR AMENDMENT FUND STATUTES TABLED AT LIMITED OFFICIAL USE

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OPENING SESSION MORNING APRIL 24 BY COLOMBIA, PORTUGAL, OAMCAF AND GUATEMALA. COUNCIL THEN ADJOURNED TO PERMIT INFORMAL CONSULTATIONS.

2. AT INSTANCE GERMANY, CANADA AND US (BUT WITH SOME RESISTANCE FROM FRANCE AND BELGIUM) CONSUMER GROUP AGREED EXPLORE POSSIBILITY CONCLUDING PACKAGE DEAL WHEREIN CONSUMER SUPPORT FOR ACCELERATED LIQUIDATION OF FUND CONDITIONED ON PRODUCER AGREEMENT TO ACCELERATED SUSPENSION ENTIRE CONTROLS SYSTEM. SMALL CONTACT GROUP (CANADA, GERMANY, US, BRAZIL, COLOMBIA AND GUATEMALA) MET THROUGH EVENING AND UNTIL TWO A. M. APRIL 25 TO DISCUSS PACKAGE DEAL AND DRAFT (OR REDRAFT) APPROPRIATE RESOLUTIONS FOR PRESENTATION PRODUCER AND CONSUMER GROUPS FOLLOWING DAY. CONTACT GROUP ATMOSPHERE CORDIAL AND CONSTRUCTIVE, GIVING RISE TO OPTIMISM REGARDING FEASIBILITY PACKAGE DEAL ARRANGEMENT.

3. WITH VARYING DEGREES ENTHUSIASM, CONSUMERS AGREED TO TABLING DRAFT RESOLUTION ON SUSPENSION OF CONTROLS AS BEING PRESENTED BY " A MAJORITY OF IMPORTING MEMBERS". GERMAN, CANADIAN AND US DELS REMAINED FIRM IN DETERMINATION REJECT PRODUCER PROPOSAL UNLESS PART OF PACKAGE INCLUDING LIFTING OF CONTROLS. PRODUCERS MEETING THROUGHOUT DAY APRIL 25 FAILED REACH AGREEMENT TO ACCEPT PACKAGE. BRAZILIANS, COLOMBIANS AND GUATEMALAN WHO WERE ALL THEMSELVES QUITE PREPARED SEE CONTROLS LIFTED, EVIDENTLY PROVED UNABLE PERSUADE NUMBER OF AFRICAN MEMBERS TO ACCEPT PACKAGE. PRIVATE CONVERSATIONS REVEALED THAT IVORY COAST AND OTHER AFRICAN LEADERS ATTACHED LESS IMPORTANCE TO EARLY FUND LIQUIDATION THEN DOES COLOMBIA AND THAT THEREFORE THEY NOT PREPARED MAKE CONCESSIONS TO OBTAIN THAT END.

4. COUNCIL PLENARY RECONVENED EVENING APRIL 25 AND CHAIRMAN ANNOUNCED THAT CLEARLY NOT ENOUGH SUPPORT EXISTED FOR PACKAGE DEAL AND THAT TWO DRAFT RESOLUTIONS TAKEN SEPARATELY WERE FOREDOOMED TO DEFEAT. COLOMBIAN DEL NONTHELESS REQUESTED ROLE CALL VOTE ON PRODUCER PROPOSAL. IN LAST MINUTE EFFORT RENDER PRODUCER PROP- LIMITED OFFICIAL USE

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POSAL MORE ACCEPTABLE TO CONSUMERS, ETHIOPIAN DEL PROPOSED AMENDMENT WHICH WOULD DELAY DISBURSEMENT ANY SHARES OF FUND CASH ASSETS TILL AFTER OCTOBER 1, ALTHOUGH STILL PERMITTING PRELIMINARY LIQUIDATION PROCEDURES START MAY 1. ON GROUNDS THIS AMENDMENT NOT REALLY SUBSTANTIVE CHANGE AND DID NOT CHANGE MAJOR CONSIDERATIONS, US AND CANADIAN DELS VOTED AGAINST AND AMENDMENT WAS DEFEATED. VOTE THEN ON ORIGINAL

PRODUCER PROPOSAL RESULTED ITS REJECTION PRODUCERS
VOTED 903 FOR, NONE AGAINST AND 97 ABSENT. CONSUMERS
VOTED 205 FOR (FRANCE, NORWAY, NETHERLANDS, SPAIN AND
BELGIUM), 601 AGAINST (DENMARK, GERMANY, JAPAN, US
AND CANADA) WITH 194 ABSENT OR ABSTAINING. SWEDEN,
SWITZERLAND, FINLAND AND UK ABSTAINED.

5. COUNCIL ADJOURNED ABOUT 2200 HOURS WITH NO APPARENT
HARD FEELINGS AMONG DELS. MANY COMMENTED, IN FACT,
THAT THIS PROBABLY BEST OUTCOME IN CIRCUMSTANCES.
COLOMBIAN DEL OBVIOUSLY DISAPPOINTED WITH FAILURE
ACHIEVE ACCELERATED LIQUIDATION OF FUND. FUND ASSEMBLY
MEETING APRIL 26, PRESUMABLY TO CONSIDER PROCEDURE NOW
TO BE FOLLOWED FOR LIQUIDATION UNDER EXISITING
STATUTES OF FUND.

6. EXECUTIVE DIRECTOR ANNOUNCED NEXT COUNCIL SESSION
TENTATIVELY SCHEDULED WEEK OF SEPTEMBER 24. SOHM

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*** Current Classification *** LIMITED OFFICIAL USE

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